

# RECLAMATION

*Managing Water in the West*

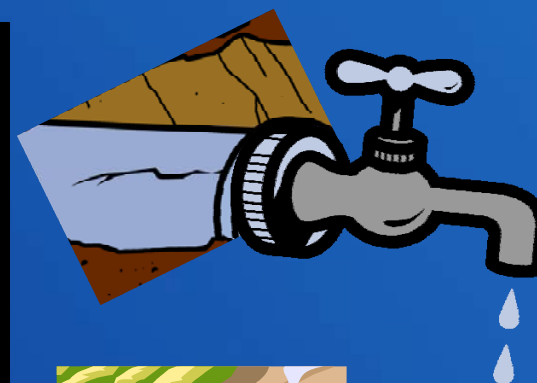
## **Reclamation Meeting on *Managing For Excellence* Breakout Session: Project Cost Overview**

**July 10-11, 2006  
Las Vegas, NV**



U.S. Department of the Interior  
Bureau of Reclamation

# Project Purposes



# Project Purposes

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Irrigation

Power

M&I

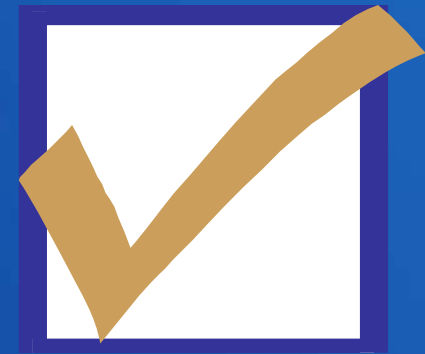
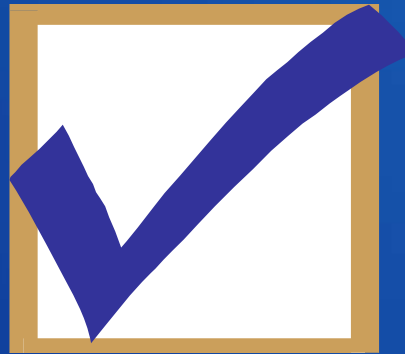
Flood Control

Fish & Wildlife

Recreation

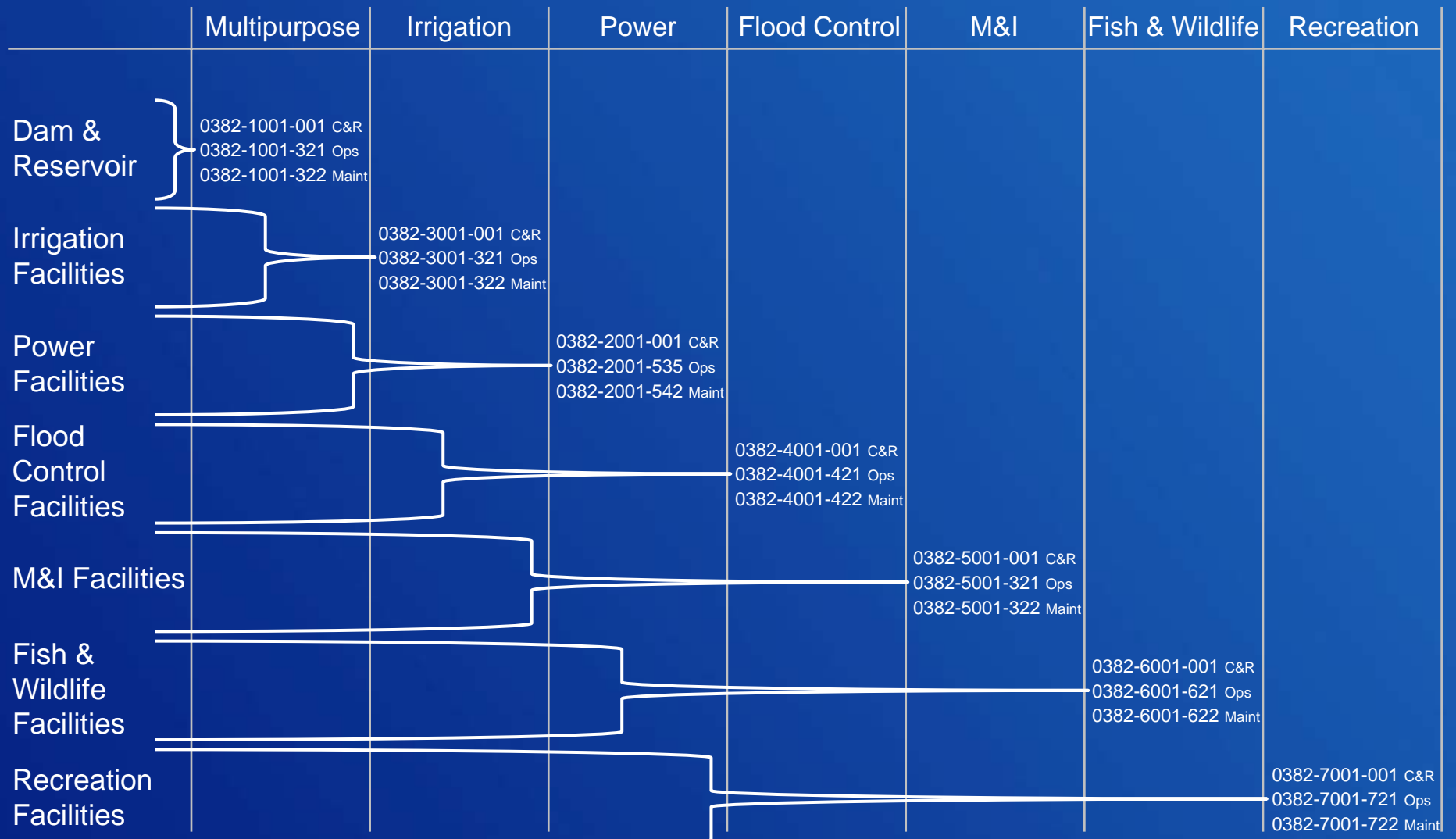
Reimbursable

Non-Reimbursable



- Reclamation Law
- Project Legislation
- Project Contracts

# Project Cost Account Set-up



# Basic Types of Costs

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- Salary
- Benefits
- Awards
- Training
- Unemployment Compensation
- Travel
- Employee Relocation
- Transportation Expense
- Rent
- Printing
- Services
  - From Private Sector
  - From TSC
  - From Other Gov't Agencies
- Materials and Supplies
- Equipment
- Land
- Construction Contracts
- Grants/Co-op Agreements
- Distributive Costs
- Indirect Costs

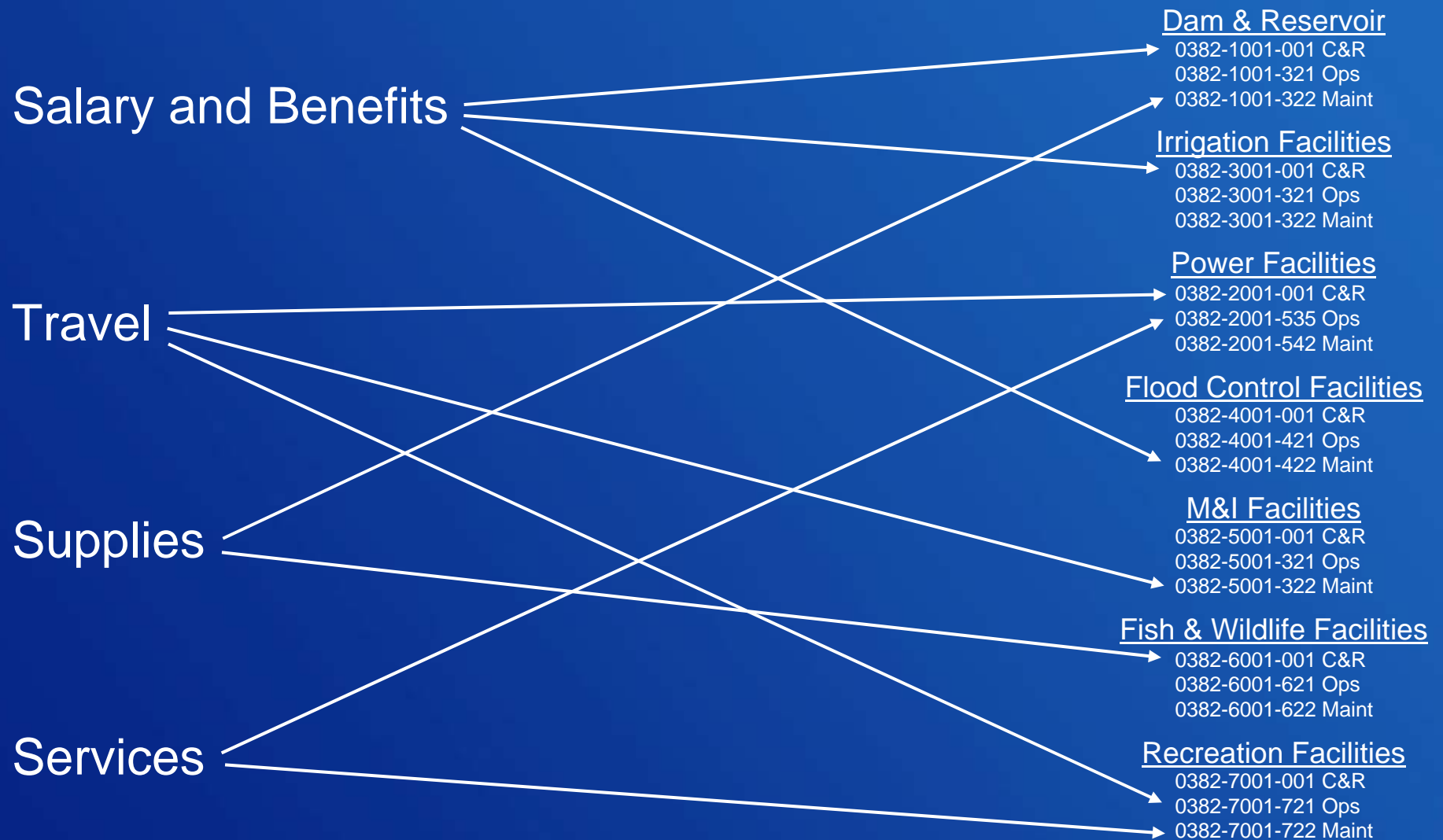


# How Costs are Charged to Accounts

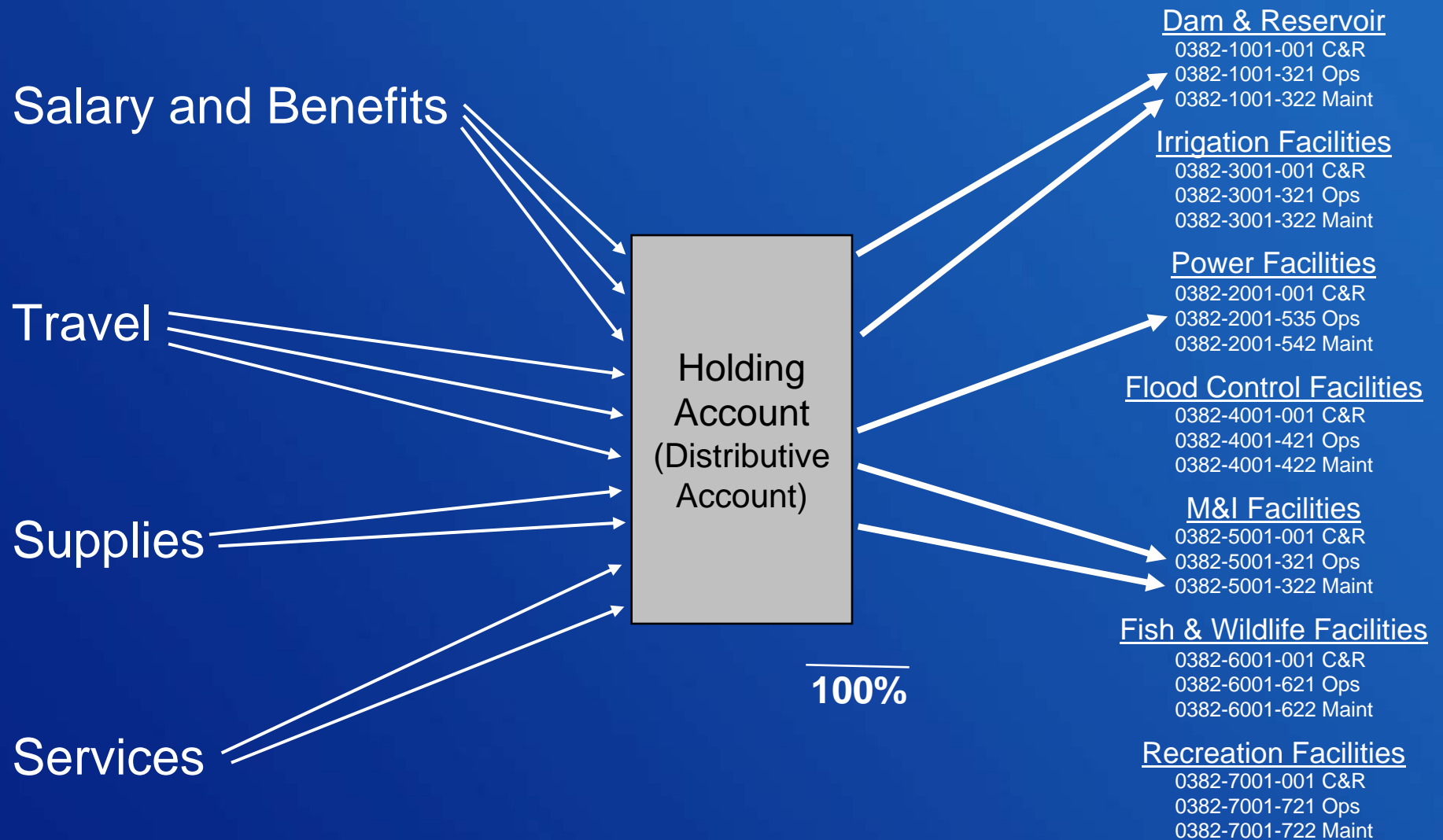
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- Direct Charge
  - Direct: directly benefits and identified to a single account
  - Direct Distributive: directly benefits a select group of accounts
- Indirect Charge
  - benefits all accounts and cannot be identified to any specific account

# Direct Costs (includes TSC Charges)

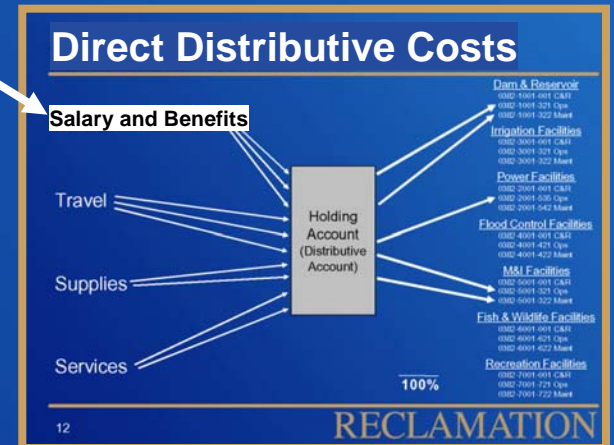
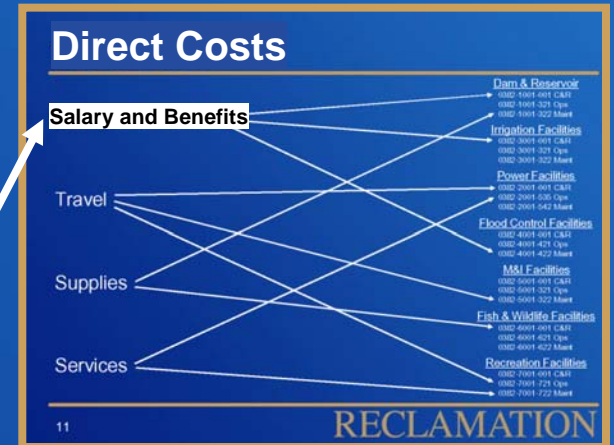
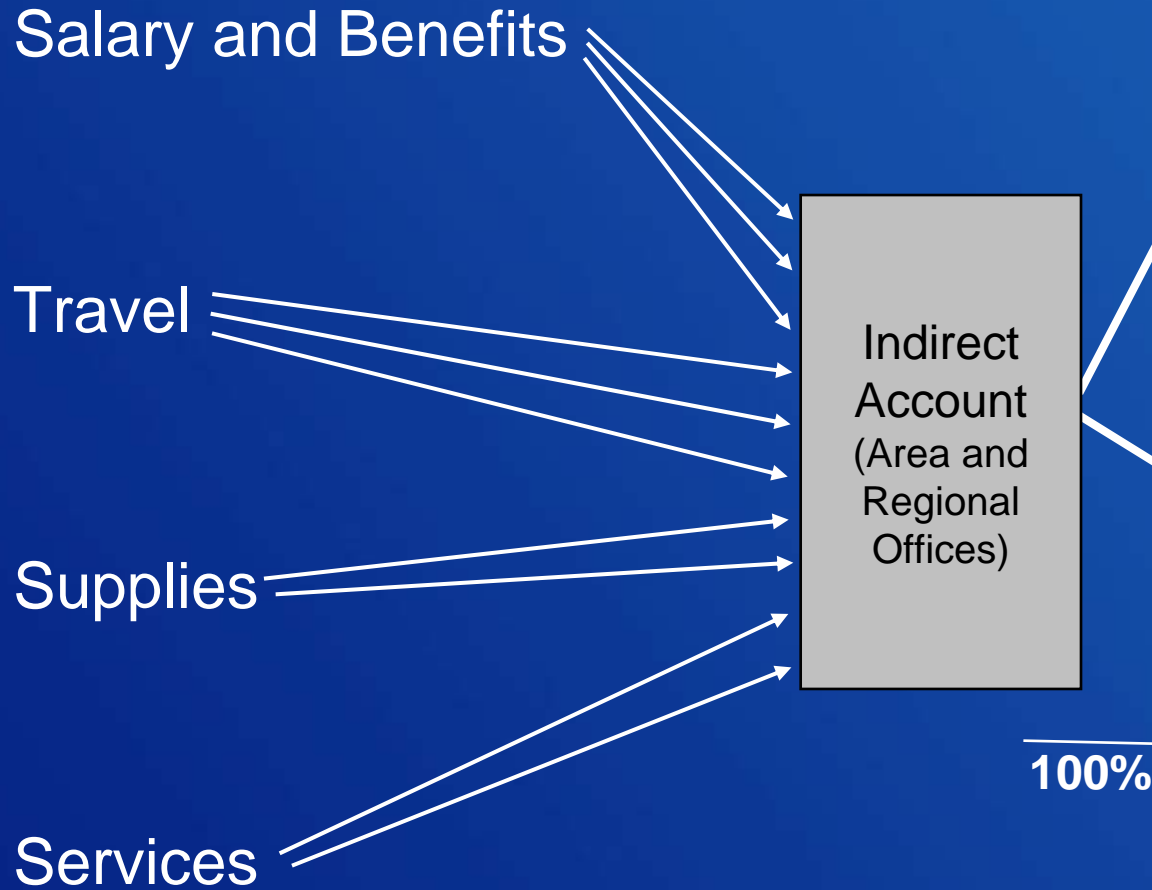


# Direct Distributive Costs

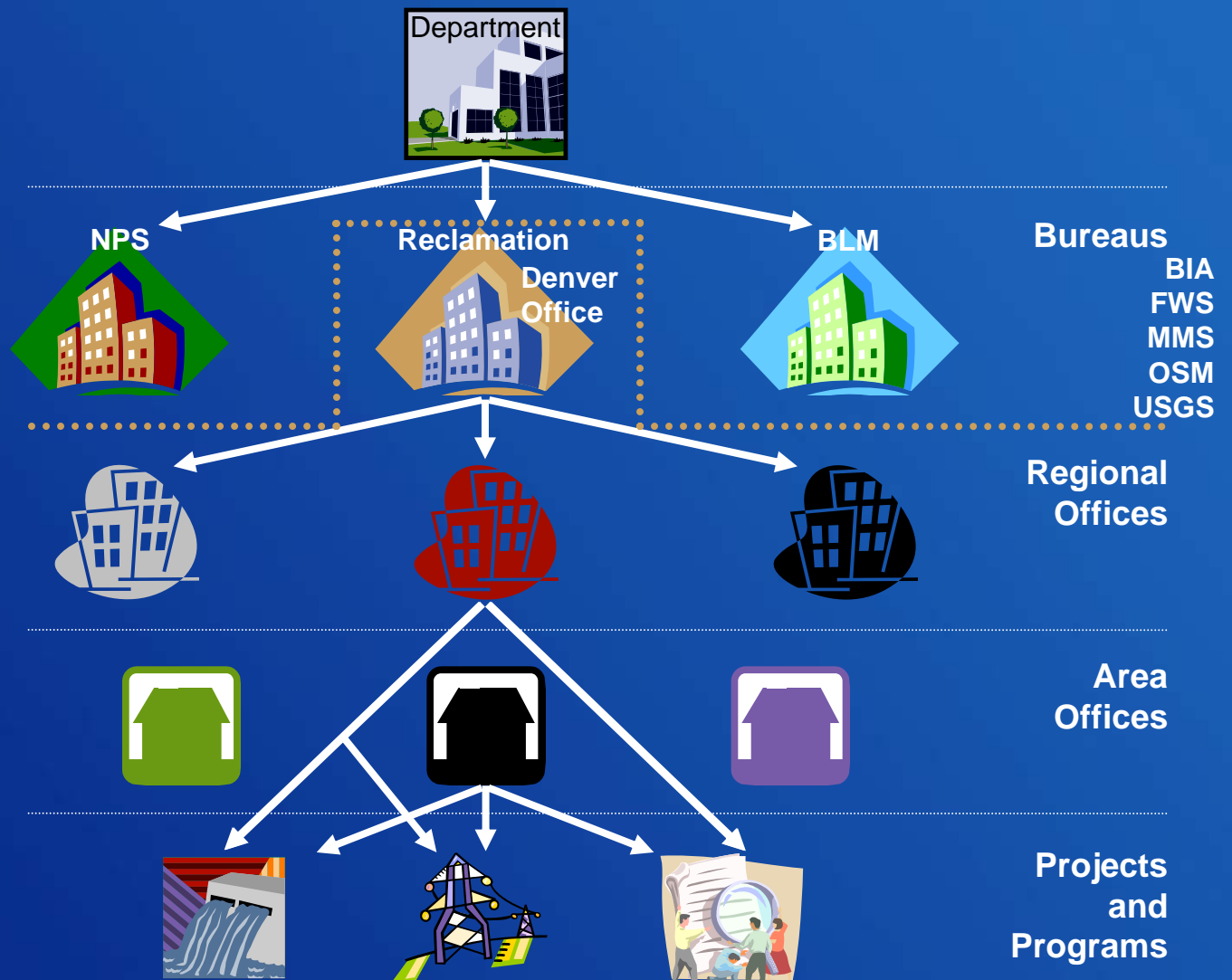




# Indirect Costs



# Indirect Cost Distribution

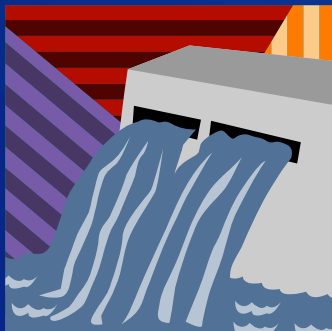


# Indirect Cost Distribution

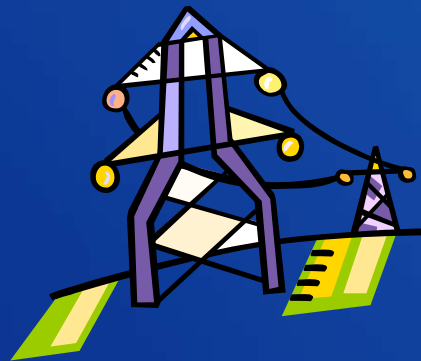
- Administrative Support Costs



Area  
Office



Shoshone Project



Kendrick Project



Programs

# Indirect Cost Distribution

- Budget Office
- Finance Office
- Property Office
- HR Office
- Acquisitions Office
- IT Office
- Operating Expenses

**Great Plains  
Regional  
Office**



# Indirect Cost Distribution

- Finance
  - Centralized Finance Support

- IT
  - BOR-wide Systems Support
  - BOR-wide Network Support
  - Network Security

- TSC - Engineering Design & Technical Support

Reclamation

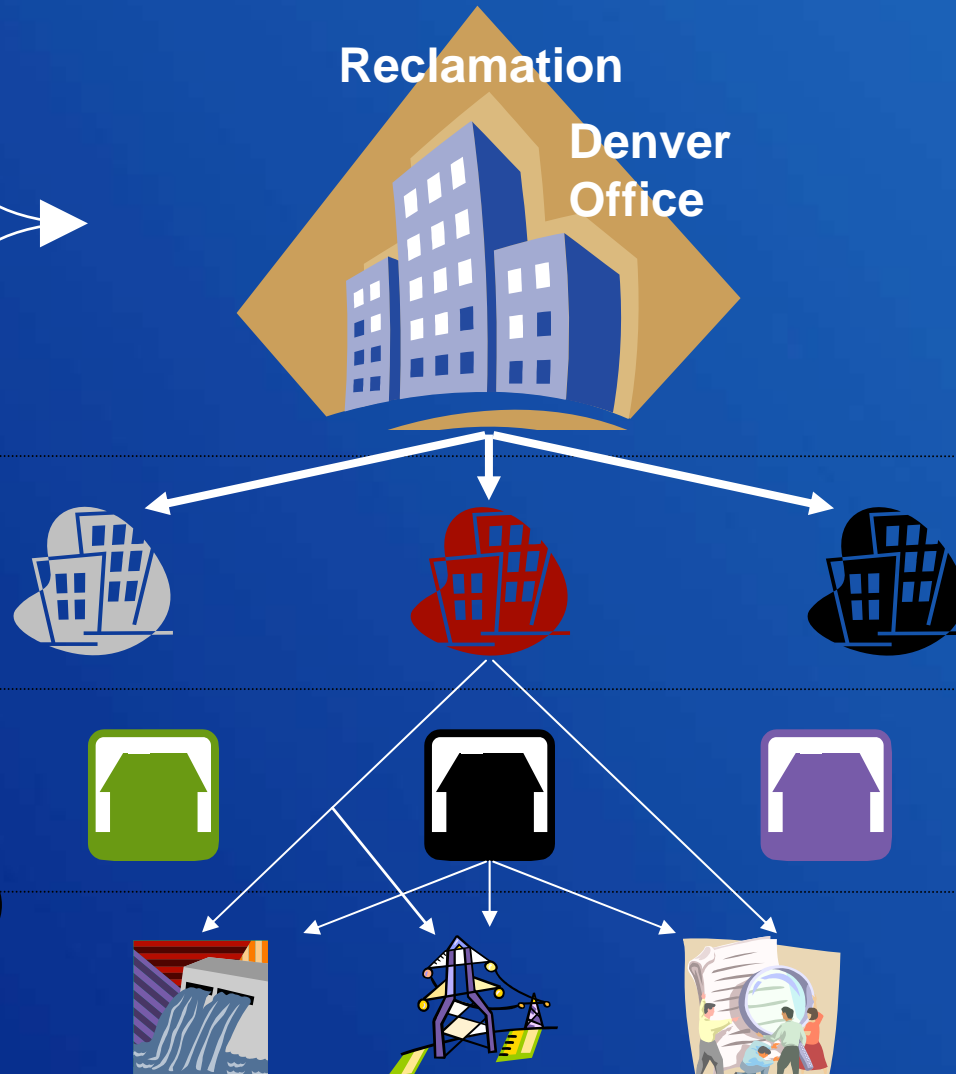
Denver Office

Bureau

Regional Offices

Area Offices

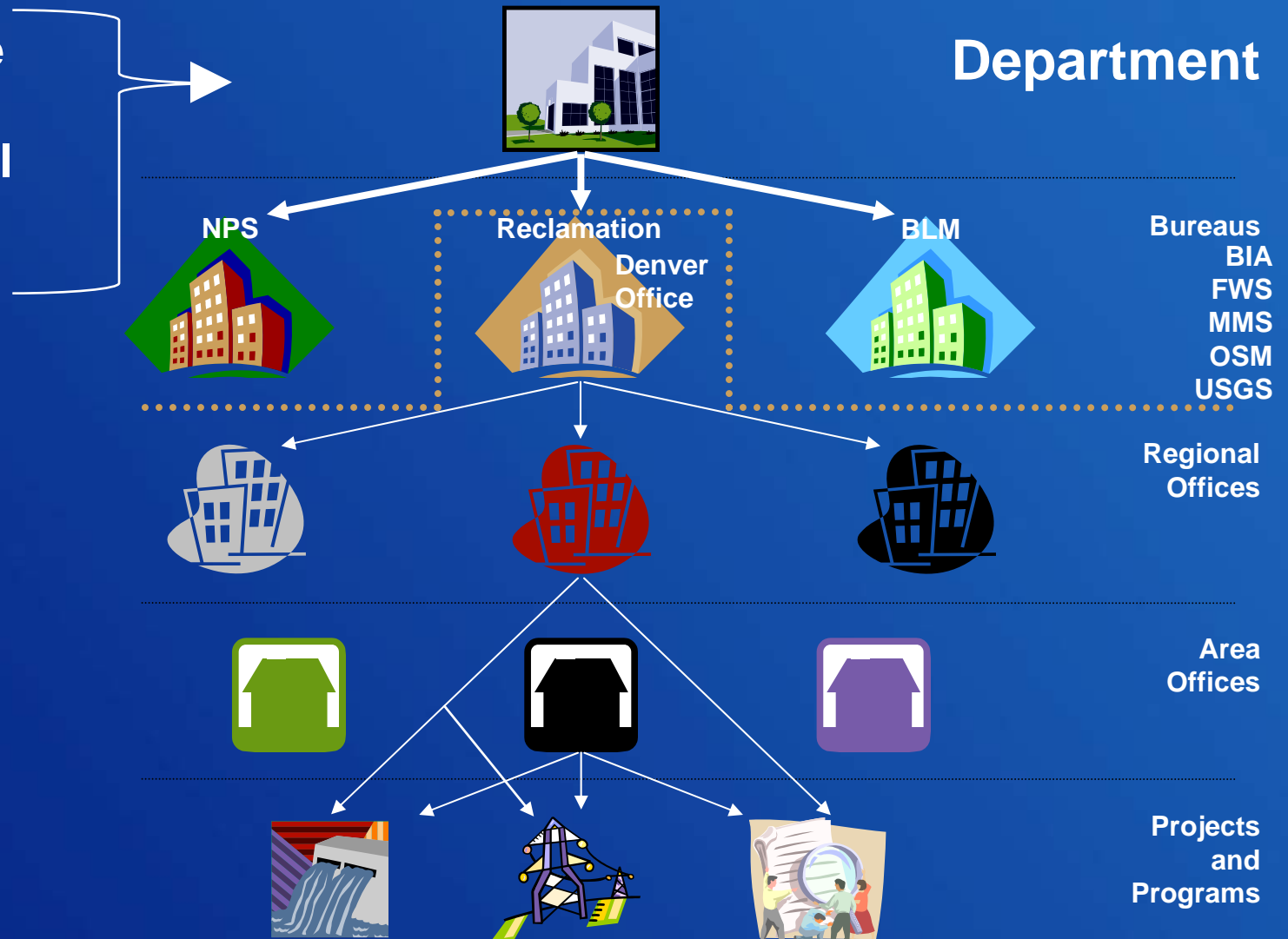
Projects and Programs



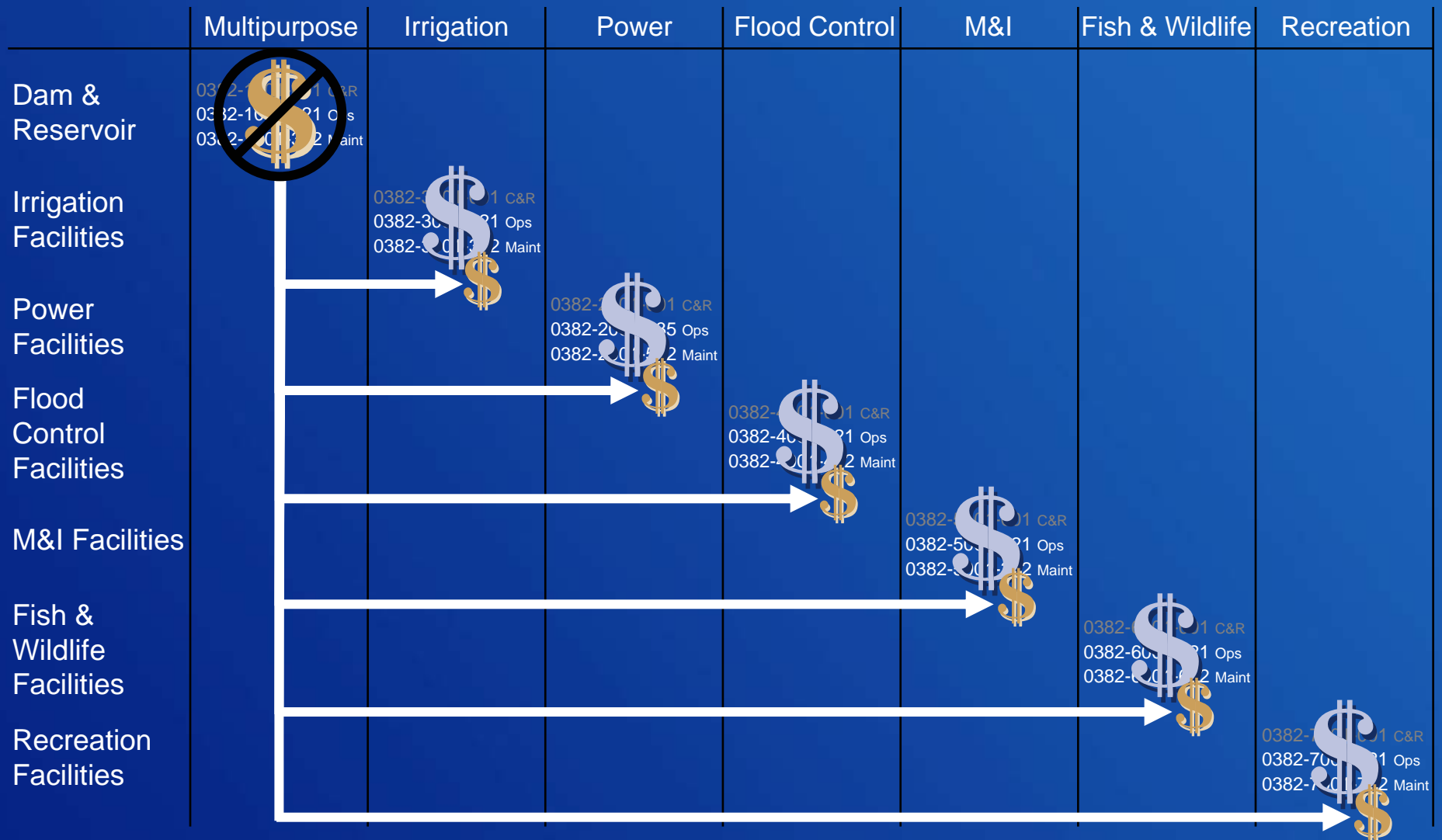


# Indirect Cost Distribution

- Office of the Secretary
- DOI National Business Center



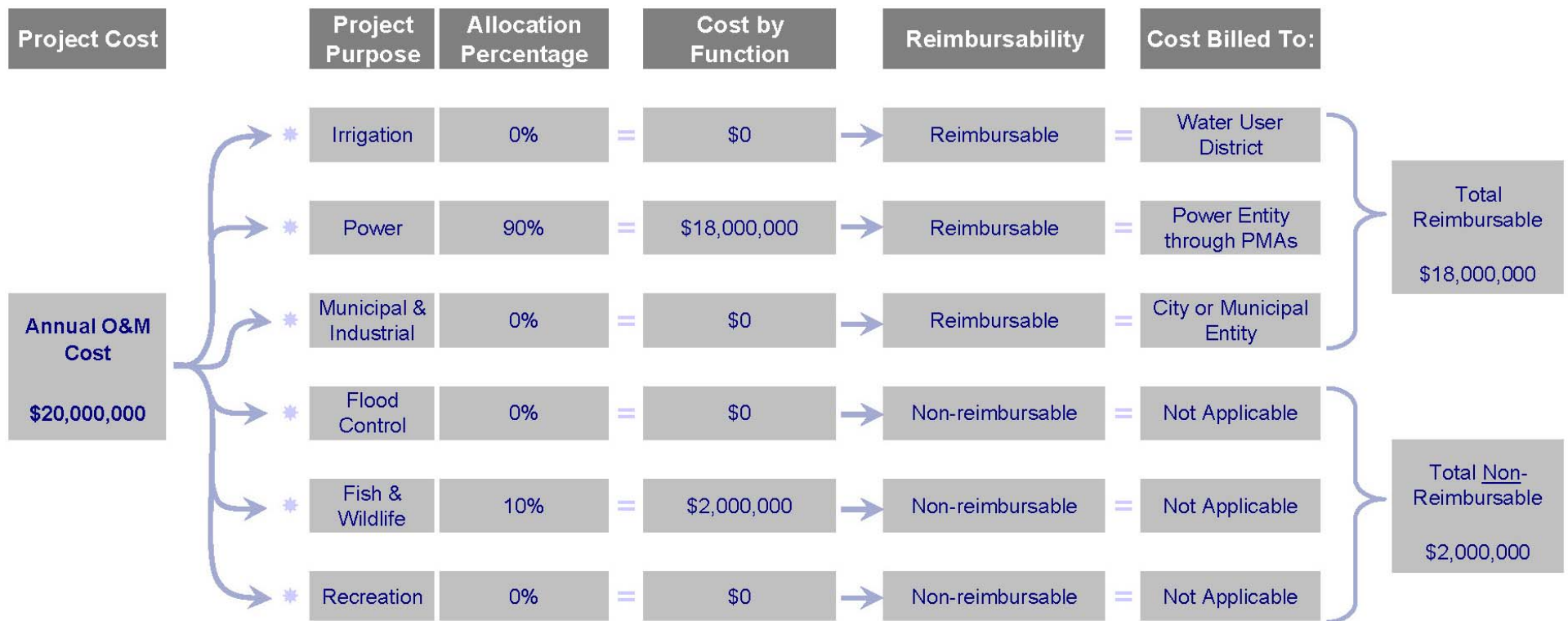
# Multipurpose Cost Distribution



# Pueblo Dam – Allocation of O&M Costs

Project Cost		Project Purpose	Allocation Percentage	Cost by Function	Reimbursability	Cost Billed To:	
Annual O&M Cost \$20,000,000	*	Irrigation	37%	= \$7,400,000	→ Reimbursable	= Water User District	Total Reimbursable \$11,800,000
	*	Power	3%	= \$600,000	→ Reimbursable	= Power Entity through PMAs	
	*	Municipal & Industrial	19%	= \$3,800,000	→ Reimbursable	= City or Municipal Entity	
	*	Flood Control	22%	= \$4,400,000	→ Non-reimbursable	= Not Applicable	Total Non-Reimbursable \$8,200,000
	*	Fish & Wildlife	19%	= \$3,800,000	→ Non-reimbursable	= Not Applicable	
	*	Recreation	0%	= \$0	→ Non-reimbursable	= Not Applicable	

# Flaming Gorge Dam – Allocation of O&M Costs



# Reimbursable Cost Recovery Methods

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- **Recovery of Costs of Providing Water**
  - **Water Service Contracts**
  - **Repayment Contracts**
    - **Annual Repayment of Capital Investment Costs**
    - **O&M Billings**
- **Recovery of Costs of Providing Power**
  - **Power Sales**
- **Miscellaneous Revenues**
  - **Mineral Leases**
  - **Grazing Fees**
  - **etc.**



# Key Cost and Budget Reports

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GRAND PRAIRIE PROJECT  
STATEMENT OF PROJECT CONSTRUCTION COST AND REPAYMENT - SUMMARY  
AS OF SEPTEMBER 30, 2005

	Supporting Schedule	Total	Irrigation	Municipal and Industrial Water	Fish and Wildlife Conservation	Recreation	SOD
<b>COST</b>							
<b>PLANT, PROPERTY AND EQUIPMENT</b>							
Multipurpose Land	1	2,381,403	1,794,754	96,833	489,815		
Multipurpose Plant	1	38,811,137	25,389,408	901,272	5,311,060		7,209,397
Subtotal		41,192,540	27,184,162	998,105	5,800,875		7,209,397
<b>COROLLARY CONSTRUCTION COSTS</b>							
Fish and Wildlife Facilities		148,836			148,836		
Recreational Facilities		1,336,608				1,336,608	
Costs Transferred to State							
Fish and Wildlife Facilities		762,474			762,474		
Accumulated Income - Property Transfers	2	18,749	15,813	1,067	1,869		
Subtotal		2,266,667	15,813	1,067	913,179	1,336,608	
Total Construction Cost to Date		43,459,207	27,199,975	999,172	6,714,054	1,336,608	7,209,397
Other Charges							
Interest During Construction		118,877		118,877			
Total Costs		43,578,084	27,199,975	1,118,049	6,714,054	1,336,608	7,209,397
<b>REPAYMENT</b>							
<b>REPAYMENT REALIZED</b>							
Accumulated Income - Repayment Contracts	6	1,402,245	1,160,880	241,365			
Other Accumulated Income							
Grazing Revenue	3	3,253	3,253				
Red River Development Fund	5	60,101	56,303	3,798			
Subtotal		1,465,599	1,220,436	245,163			
<b>ANTICIPATED FUTURE REPAYMENT</b>							
Deferred Income - Repayment Contracts	6	3,164,806	2,291,920	872,886			
Other Accumulated Income							
Basin Fund Revenues	4	23,687,619	23,687,619				
Subtotal		26,852,425	25,979,539	872,886			
Total Repayment		28,318,024	27,199,975	1,118,049			
<b>OTHER CREDITS</b>							
Nonreimbursable Costs (1)	7	15,260,060			6,714,054	1,336,608	7,209,397
Total Repayment and Other Credits		43,578,084	27,199,975	1,118,049	6,714,054	1,336,608	7,209,397
Excess of Repayment Over Cost		0					

Authorization for Nonreimbursable Allocations: (1) Public Law 82-233, 3/12/54

# Statement of Project Cost & Repayment

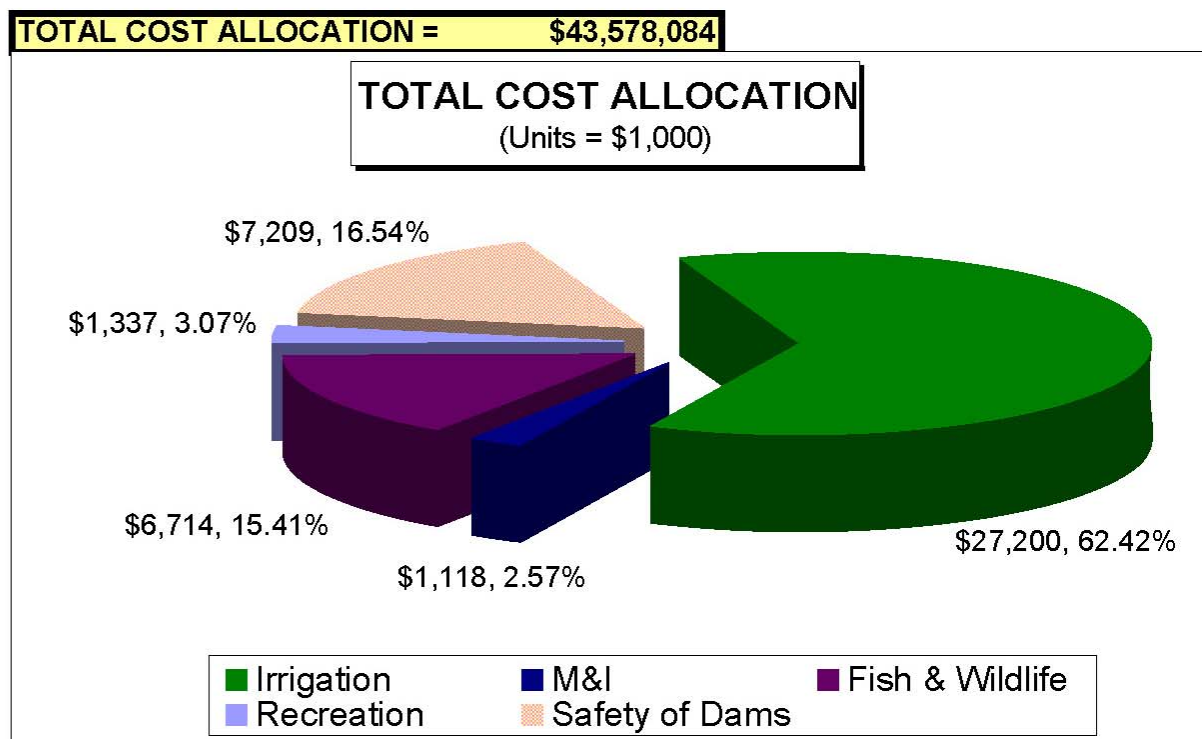
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- Presents the relationship of total Construction Costs to total Repayment
- Assigns Construction Costs to project purposes and the repaying entities
- Identifies repayment and other credits to the different project purposes and the repaying entities
- Normally prepared on an annual basis
- The accounting system is the source for cost information, certain cost deductions, and repayments realized
- Other sources of data for future estimated costs, future credits, future repayment, etc.

# Allocation of Project Costs

## Grand Prairie Project

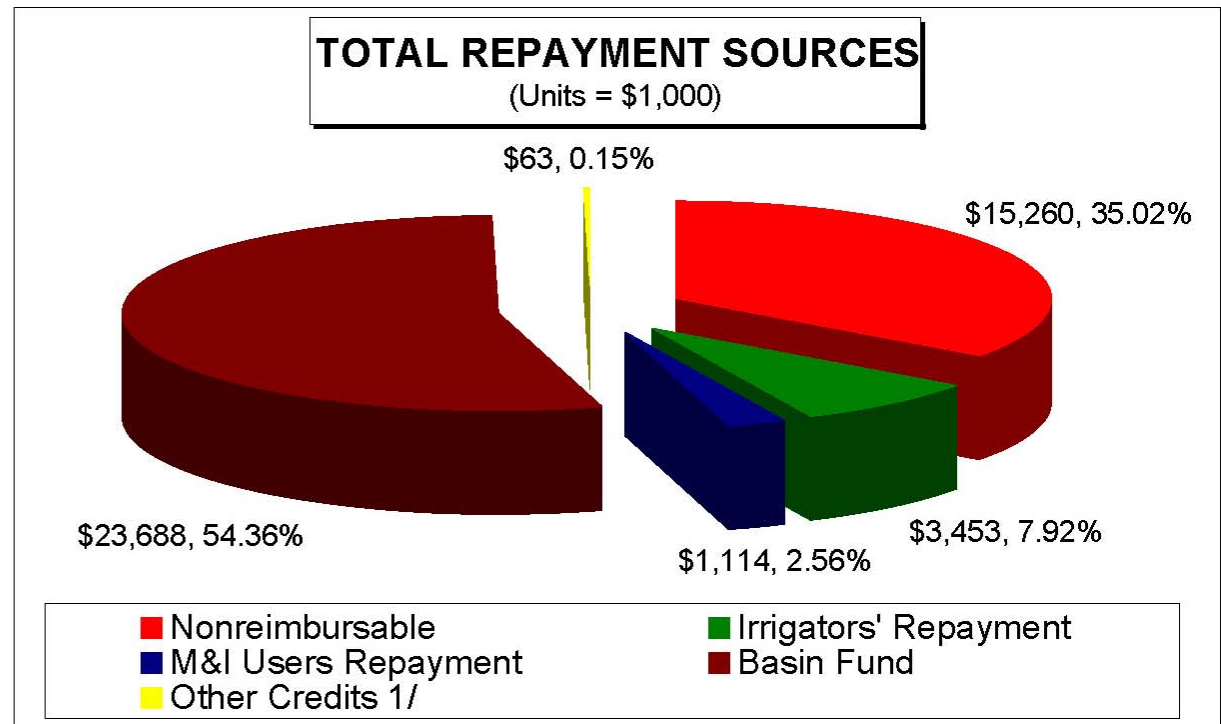
<u>Costs</u>	
Irrigation	\$27,200
M&I	\$1,118
Fish & Wildlife	\$6,714
Recreation	\$1,337
Safety of Dams	\$7,209
<b>Total</b>	<b>\$43,578</b>



# Project Repayment Sources

## Grand Prairie Project

<u>Repayment</u>	
Nonreimbursable	\$15,260
Irrigators' Repayment	\$3,453
M&I Users Repayment	\$1,114
Basin Fund	\$23,688
Other Credits 1/	\$63
<b>Total</b>	<b>\$43,578</b>



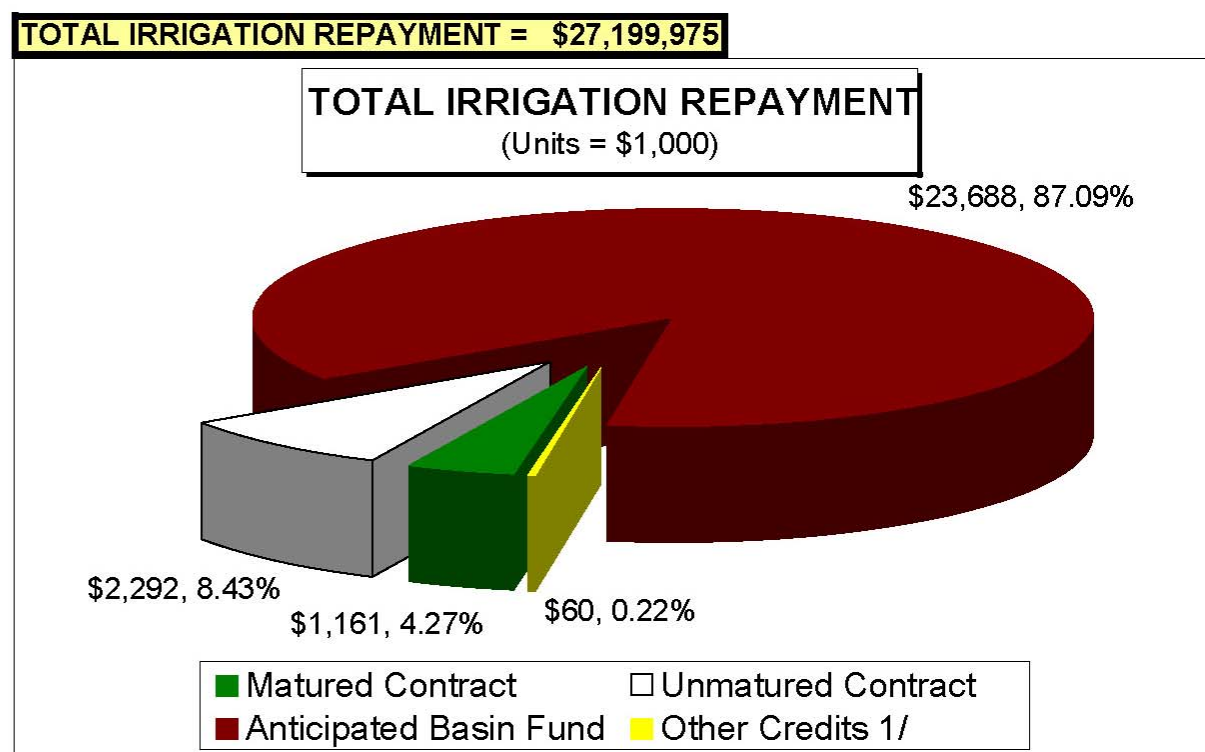
1/ Other credits include CRDF and Miscellaneous Revenues



# Irrigation Repayment

## Grand Prairie Project

<u>Total Irrigation Repayment</u>	
Matured Contract	\$1,161
Unmatured Contract	\$2,292
Anticipated Basin Fund	\$23,688
Other Credits 1/	\$60
<b>Total</b>	<b>\$27,200</b>



# Irrigation Repayment

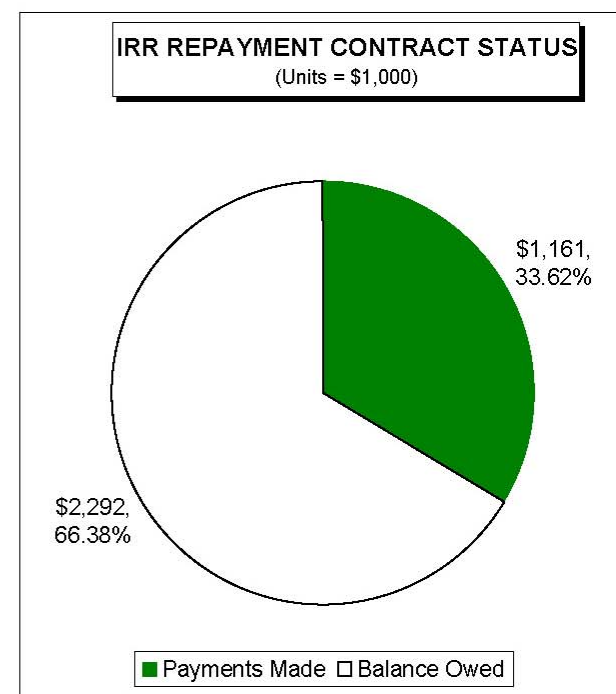
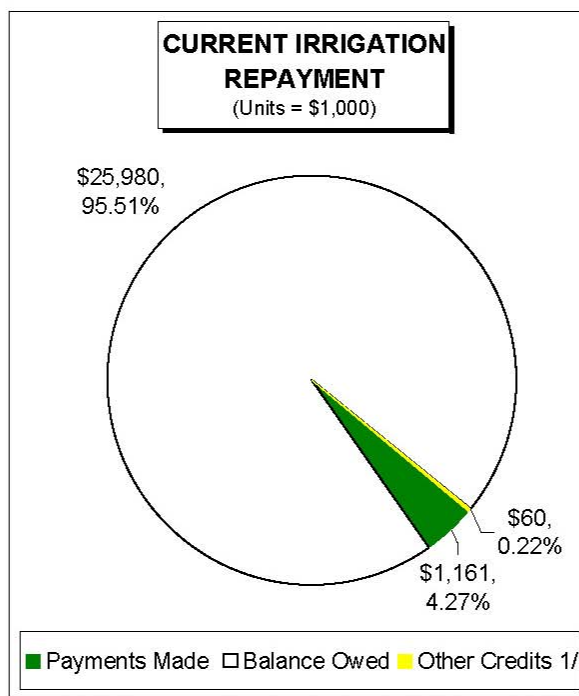
## Grand Prairie Project

### Current Irrigation Repayment

Payments Made	\$1,161
Balance Owed	\$25,980
Other Credits 1/	\$60
<b>Total</b>	<b>\$27,200</b>

### Irr Repayment Contract Status

Payments Made	\$1,161
Balance Owed	\$2,292
<b>Total</b>	<b>\$3,453</b>



1/ Other credits include CRDF and Miscellaneous Revenues

# M&I Repayment

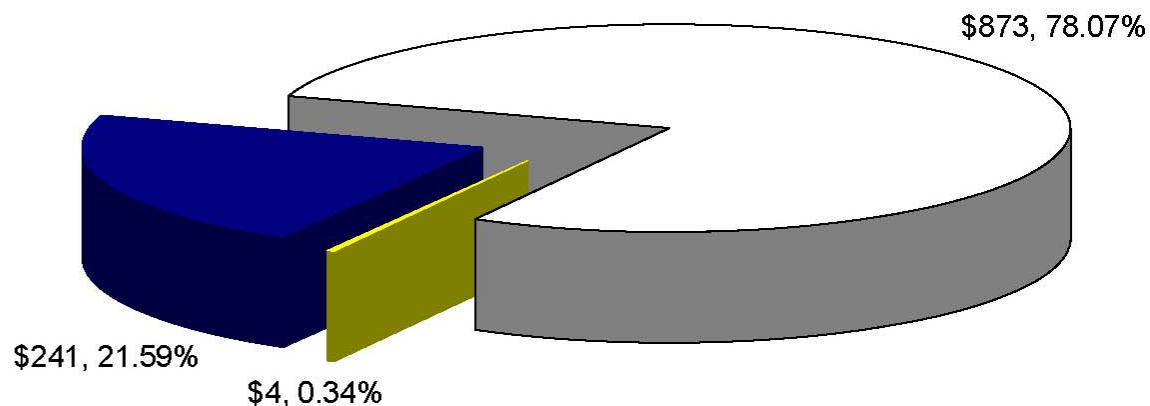
## Grand Prairie Project

**TOTAL M&I REPAYMENT = \$1,118,049**

**TOTAL M&I REPAYMENT**  
(Units = \$1,000)

### M&I Repayment Status

M&I Payments Made	\$241
M&I Balance Owed	\$873
CRDF Paid	\$4
<b>Total</b>	<b>\$1,118</b>



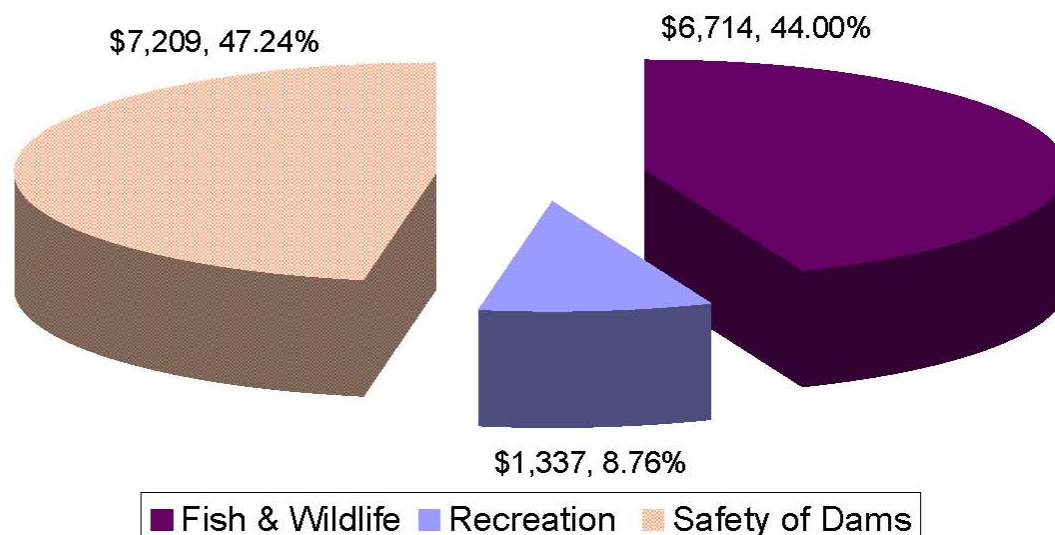
■ M&I Payments Made □ M&I Balance Owed ■ CRDF Paid

# Nonreimbursable Allocation

## Grand Prairie Project

**TOTAL NONREIMBURSABLE ALLOCATION = \$15,260,060**

**TOTAL NONREIMBURSABLE ALLOCATION**  
(Units = 1,000)



### Total Nonreimbursable Allocation

Fish & Wildlife	\$6,714
Recreation	\$1,337
Safety of Dams	\$7,209
<b>Total</b>	<b>\$15,260</b>

# Grand Prairie Dam & Reservoir – O&M

	<b>CY 2005 Budget</b>	<b>Actual Expenditures thru March 2005</b>	<b>Estimated Actual CY 2005 Cost</b>	<b>CY 2006 Budget</b>	<b>Customer's Share (80%) of 2006</b>
Labor/Benefits	\$ 285,000	\$ 127,846	\$ 270,000	\$ 255,000	\$ 204,000
Travel	\$ 7,600	\$ 724	\$ 9,200	\$ 4,321	\$ 3,457
Transportation	\$ 1,470	\$ 293	\$ 1,700	\$ 3,000	\$ 2,400
Rent/Comm./Utilities	\$ 5,300	\$ 1,718	\$ 4,600	\$ 4,571	\$ 3,657
Printing	\$ 120	\$ 0	\$ 300	\$ 313	\$ 250
Contracts and Services	\$ 56,074	\$ 28,046	\$ 62,400	\$ 82,000	\$ 65,600
Supplies	\$ 11,500	\$ 2,782	\$ 12,500	\$ 19,000	\$ 15,200
Equipment	\$ 14,000	\$ 387	\$ 9,100	\$ 16,000	\$ 12,800
Area Office Indirect Costs	\$ 27,360	\$ 11,889	\$ 25,110	\$ 24,000	\$ 19,200
Regional Office Indirect Costs	\$ 71,250	\$ 29,400	\$ 62,100	\$ 58,650	\$ 46,920
Depreciation	\$ 2,000	\$ 528	\$ 4,730	\$ 900	\$ 720
<b>TOTAL</b>	<b>\$ 481,674</b>	<b>\$ 203,613</b>	<b>\$ 461,740</b>	<b>\$ 467,755</b>	<b>\$ 374,204</b>



## Grand Prairie Dam and Reservoir Labor Costs as of the end of March, 2005

Description	Name	Position	Amount	Hours
A40 OPERATION	ARNEZ, CATHERINE	IT SPECIALIST (SYSADMIN/CUSTSPT	\$512.79	11
	BELAFONTE, JULIE	CONTROL CENTER OPERATOR	\$1,126.64	23
	HORNER, WILLIAM	LABORER	\$184.72	8
	LASSITER, LYLE	CIVIL ENGINEER	\$1,223.96	18
	LELEI, NORMAN	POWERPLANT OPERATOR	\$3,685.93	80
	PATTERSON, PHILIP	BUILDING REPAIRMAN	\$3,267.56	80
	ROLLISON, JAY	LABORER	\$46.43	2
	STEVENS, GARY	POWERPLANT OPERATOR	\$9,812.08	193
	YANK, ANDREAS	PLANT MECHANIC	\$97.53	2
	ZANDER, ALVIN	UTILITYMAN	\$211.94	6
	ZELLER, RONALD	PLANT MECHANIC	\$651.95	13
A40 OPERATION TOTAL			\$20,821.53	436
MAINTENANCE	BELAFONTE, JULIE	CONTROL CENTER OPERATOR	\$47.84	1
	BLAKE, REX	PLANT MECHANIC	\$4,454.60	92.5
	DRAKE, RONA	ELECTRICIAN	\$6,930.10	138.5
	GELLER, FRED	APPR C&I MECH (7TH STEP)	\$322.50	8
	GILL, ROBERTA	CIVIL ENGINEERING TECHNICIAN	\$432.97	12.75
	HORNER, WILLIAM	LABORER	\$46.09	2
	HUNTER, DEAN	C & I MECHANIC	\$349.82	7
	JAMISON, CALVIN	PLANT MECHANIC	\$3,776.76	75.5
	LASSITER, LYLE	CIVIL ENGINEER	\$842.79	12
	LAYTON, LEROY	UTILITYMAN	\$4,007.88	108
	LELEI, NORMAN	POWERPLANT OPERATOR	\$806.19	17
	PATTERSON, PHILIP	BUILDING REPAIRMAN	\$81.88	2
	REDHORSE, DENNIS	ELECTRICIAN SUPV II	\$663.15	12
	STONEHAM, RON	ELECTRICIAN	\$4,522.64	90.5
	STEVENS, GARY	POWERPLANT OPERATOR	\$1,836.62	35.5
	TAKENSKI, BOB	ELECTRICIAN	\$8,633.82	186
	TELLER, TOM	SUPVY FACILITY OPERATIONS SPEC	\$134.14	2
	WHITEHORSE, BOB	ENGINEERING TECHNICIAN	\$2,620.64	85
	YANK, ANDREAS	PLANT MECHANIC	\$1,292.85	25

## Grand Prairie Dam and Reservoir Labor Costs as of the end of March, 2005

Description	Name	Position	Amount	Hours
MAINTENANCE...	ZANDER, ALVIN	UTILITYMAN	\$4,279.87	121
	ZELLER, RONALD	PLANT MECHANIC	\$5,025.52	100
MAINTENANCE TOTAL			\$51,108.67	1133.25
MAINTENANCE-VISITOR CTR.	BABCOCK, ARMAND	ELECTRICIAN	\$808.20	17
	DRAKE, RONA	ELECTRICIAN	\$5,541.83	111
	GELLER, FRED	APPR C&I MECH (7TH STEP)	\$403.55	10
	HUNTER, DEAN	C & I MECHANIC	\$201.13	4
	MACDONALD, MIKE	ELECTRICAL ENGINEER	(\$314.76)	0
	PATTERSON, PHILIP	BUILDING REPAIRMAN	\$856.41	21
	REDHORSE, DENNIS	ELECTRICIAN SUPV II	\$1,168.33	21.5
	REIDEL, GEORGE	ELECTRICIAN SUPV II	\$6,049.06	133.5
	STONEHAM, RON	ELECTRICIAN	\$927.61	18
	TAKENSKI, BOB	ELECTRICIAN	\$3,488.48	75
MAINTENANCE-VISITOR CTR. TOTAL			\$19,129.84	411
MAINTENANCE-SPILLWAY GATES	BLAKE, REX	PLANT MECHANIC	\$102.32	2
MAINTENANCE-SPILLWAY GATES TOTAL			\$102.32	2
A40 OTHER DIRECT EXPENSE	LAYTON, LEROY	UTILITYMAN	\$370.82	10
	LELEI, NORMAN	POWERPLANT OPERATOR	\$422.27	9
	REDHORSE, JUNE	SUPPLY TECHNICIAN	\$202.80	8
	STEVENS, GARY	POWERPLANT OPERATOR	\$300.59	6
	ZANDER, ALVIN	UTILITYMAN	\$388.78	11
A40 OTHER DIRECT EXPENSE TOTAL			\$1,685.26	44
REG. & WATER MANAGEMENT	FELTMAN, TIMOTHY	HYDRAULIC ENGINEER	\$14,784.60	272
	GALLEGOS, JEREMY	HYDRAULIC ENGINEER	\$1,704.82	39.25
	LARSON, RICHARD	SUPERVISORY CIVIL ENGINEER	\$8,536.52	129.5
	PADILLA, NORA	HYDROLOGIC TECHNICIAN	\$9,973.03	244
REG. & WATER MANAGEMENT TOTAL			\$34,998.97	684.75

# Grand Prairie Project – O&M Bill

**Estimated Calendar Year (CY) 2006 costs \*** **\$ 374, 204**

**CY 2005 Advance Carryover Status:**

Advances collected in CY 2005 **\$ 376,665**

Plus: Carryover of unused CY 2004 Advance + \$ 8,675

Less: Projected CY 2005 Costs \*\* - \$ 369,392

**Net Projected CY 2005 Advance Carryover** **- \$ 15,948**

**Total CY 2006 Advance Owed** **\$ 358,256**

\* 80% of Estimated \$ 467,755 CY 2006 O&M costs of Grand Prairie Dam

\*\* 80% of total \$ 461,740 CY 2005 O&M costs of Grand Prairie Dam

# Customer Interviews

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- What do you get/have now from your area office?
- How timely, accurate is it?
- How well does it meet your needs?
- What additional info are you interested in/would you find helpful?
- What does transparency of O&M costs (both routine and major) look like to you?
  - Trend Analysis – How many yrs useful (past and future)?
  - Activity vs. object code
  - Budget vs. Actuals
  - Narrative
  - At what level of activity detail?
- What tools do you use to consider future project investments?
- What information do you need for better planning of future project investments?
- Best Practices you have that you'd suggest we consider?
- If you were helping us implement this objective, what would you advise our managers / What do you expect of them in terms of financial status reporting?